
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Update to Council Policy 900-14, Sustainable Building Policy

OVERVIEW

The proposed revision to Council Policy 900-14, Sustainable Building Policy, will align it with updated State of California policies and establish an energy efficiency and renewable energy policy for City-owned and leased buildings. The private sector incentive policy, in which the permit process for qualifying development projects would be expedited, has been removed. It is intended that Council Policy 600-27, Affordable/In-Fill Housing and Sustainable Buildings Expedite Program, will address the private sector incentive policy. Council Policy 600-27 needs to be updated in order to do this, and it is in the process of being updated by the Development Services Department.

The update to Council Policy 900-14 was previously addressed in IBA report 09-77, Response to the Center on Policy Initiatives' July 28, 2009 Memorandum regarding Green Jobs in Public Works Contracts by the City. Report 09-77 addressed not only green jobs, but also Council Policy 900-14. It spoke to issues surrounding the LEED certification process, monitoring of energy savings, private sector development and the City's goals to surpass the requirements in the California Green Building Standards Code, Title 24. This remainder of this report will update IBA report 09-77, addressing issues relating to the proposed update to Council Policy 900-14.

FISCAL/POLICY DISCUSSION

The proposed update to Council Policy 900-14 requires that City owned, occupied or leased new construction and major renovation projects meet Silver LEED Certification. For new construction projects or major renovations where Silver LEED Certification is required by the City, a third party Commissioning Agent is hired to ensure that the energy modeling requirements are achieved. Upon completion of construction, the Commissioning Agent checks that the mechanical and electrical systems are performing to the approved design. If the systems are working correctly, this information is documented and submitted for final review by the U.S. Green Building Council. In addition, a Development Services Department Building Inspector inspects the mechanical and electrical systems to verify that the equipment was installed to meet building codes.

Major renovations which fall under Council Policy 900-14 include existing conditioned spaces of 5,000 gross square feet or larger, requiring at least two energy building system changes. A conditioned space is part of a building in which temperatures are controlled. An example of a project that would not be covered by Council Policy 900-14 is a sewer pumping station. However, in recent years when pumping systems have been replaced, analyses of energy usage by the Environmental Services Department have shown more efficient use of energy over time.

As noted in IBA report 09-77, staff had indicated the updated Policy 900-14 would include language requiring the installation of long-term performance monitoring systems. The updated policy does not require these monitoring systems, but rather strongly encourages “enhanced commissioning and measurement and verification procedures for all facilities.” The reason that real-time monitoring systems are not required is cost. The cost for these systems can typically range from five to eight thousand dollars. Not requiring these systems provides the City greater flexibility. However, staff has indicated that for new buildings and major renovation projects, the City often does include these monitoring systems. Additionally, monitoring through analysis of energy usage is performed by Environmental Services.

If approved, Standard 2 in updated Council Policy 900-14 would require applicable projects to use 15% less energy than California Title 24 requirements. In the current version of Council Policy 900-14, the goal is to achieve 22.5% efficiency over Title 24 standards. However, since the current version was adopted, Title 24 standards have been enhanced. Therefore, updated Council Policy 900-14 has been adjusted accordingly and now requires the City to surpass Title 24 requirements by 15%.

Lastly, an issue has arisen subsequent to the Land Use and Housing Committee meeting of March 3, 2010. Upon forwarding this item to full City Council on March 3, 2010, the Land Use and Housing Committee required that an informational presentation be made to the Community Planners Committee. To-date, that presentation has not been made.

CONCLUSION

Council Policy 900-14, Sustainable Building Policy, is being revised in order to align it with updated State of California policies and establish an energy efficiency and renewable energy

policy for City-owned and leased buildings. The private sector incentive policy, in which the permit process for qualifying development projects would be expedited, has been removed. It is intended to be addressed in Council Policy 600-27, once that policy is updated.

The update to Council Policy 900-14 was previously addressed in IBA report 09-77, Response to the Center on Policy Initiatives' July 28, 2009 Memorandum regarding Green Jobs in Public Works Contracts by the City. Report 09-77 addressed not only green jobs, but also Council Policy 900-14.

The purpose of this report was to review issues that the IBA noted concerning the proposed update to Council Policy 900-14. After reviewing these issues, the IBA supports moving forward with Council Policy 900-14.

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